

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

**DECLARATION OF DAVID J. SHEEHAN IN SUPPORT OF THE
TRUSTEE'S MOTION TO AFFIRM TRUSTEE'S DETERMINATIONS DENYING
CLAIMS OF CLAIMANTS WHO INVESTED IN THE DAPREX, FELSEN, STERLING,
OR ORTHOPAEDIC ERISA PLANS**

I, David J. Sheehan, Esq., pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am a partner at the law firm of Baker & Hostetler LLP, counsel to Irving H. Picard, Esq., trustee (“Trustee”) for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. (“SIPA”), and for Bernard L. Madoff (“Madoff”) (collectively, “Debtor”).

2. As an attorney of record, I am fully familiar with this case and the facts set forth herein.

3. For purposes of Trustee's Motion And Memorandum To Affirm Trustee's Determinations Denying Claims of Claimants Who Invested In The Daprex, Felsen, Sterling, or

Orthopaedic ERISA Plans (the “Motion”),¹ the Trustee selected four BLMIS accounts, each held by one of the four ERISA Plans, all as listed on Exhibit 1 to the Declaration of Vineet Sehgal filed in support of the Motion (the “Sehgal Declaration”).

4. A list of Claimants invested in these ERISA Plans whose claims are dealt with by this Motion is annexed to the Sehgal Declaration as Exhibit 2.

5. The Trustee served discovery on the Claimants listed in Exhibit 2 to the Sehgal Declaration. Most of these Claimants failed to respond.

6. At my direction, the Trustee’s consultants, AlixPartners LLP, engaged in a review of the claims and other information provided by the Claimants to determine under which of the ERISA Plans the Claimants were claiming as participants and beneficiaries.

7. If a Claimant failed to provide a BLMIS account number of the ERISA Plan in which they invested, AlixPartners reviewed the claim and any supplemental information attached to the claim form. The supplemental information may have included account statements, ERISA Plan materials, letters from the ERISA Plan explaining their exposure to BLMIS, and Claimants’ handwritten letters to the Trustee explaining their exposure to BLMIS. The objections filed by Claimants generally also specify the ERISA Plan that is relevant to the Claimant.

8. Each of the claims identified on Exhibits 2 and 3 to the Sehgal Declaration were denied by the Trustee.

9. Based on a review of the docket and filings, 210 outstanding docketed objections have been filed to date by Claimants who invested in the ERISA Plans. This Motion addresses all of those objections.

10. Attached hereto as Exhibit 1 is a true and correct copy of the Requests for Admission served on the Claimants associated with the BLMIS account of Orthopaedic Specialty

¹ Capitalized terms, unless otherwise defined herein, shall have the meanings ascribed to them in the Motion.

GRP PC Defined Contribution Pension Plan (“Orthopaedic”), together with a certificate of service. None of the Claimants associated with the Orthopaedic account responded to the Requests for Admission.

11. Attached hereto as Exhibit 2 is a true and correct copy of the Requests for Admission served on the Claimants associated with the BLMIS account of Sterling Equities Employees Retirement Plan (“Sterling”), together with a certificate of service. None of the Claimants associated with the Sterling account responded to the Requests for Admission.

12. Attached hereto as Exhibit 3 is a true and correct copy of the Requests for Admission served on the Claimants associated with the BLMIS account of Felsen Moscoe Company Profit Sharing TST DTD 5/8/76 (“Felsen”), together with a certificate of service. None of the Claimants associated with the Felsen account responded to the Requests for Admission.

13. Attached hereto as Exhibit 4 is a true and correct copy of the Trustee’s requests for production of documents, requests for interrogatories, and requests for admission, as sent to investors in Daprex Profit Sharing and 401K Plan (“Daprex”), together with certificates of service.

14. Attached hereto as Exhibit 5 is a true and correct copy of the Requests for Admission served on the Claimants associated with the Daprex BLMIS account, together with a certificate of service.

15. Certain of the Claimants associated with the Daprex account partially responded to the Requests for Admission. To the extent that they did respond, the responses received to the Trustee’s Requests for Admission from Claimants associated with the Daprex BLMIS Account are attached as Exhibit 6.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 30, 2014

New York, New York

/s/ David J. Sheehan

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